

Senate Study Bill 3121 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WILHELM)

A BILL FOR

1 An Act providing for petition and election to approve the use
2 of increased local sales and services tax revenues to fund
3 urban renewal projects.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423B.1, subsection 6, paragraph c, Code
2 2011, is amended to read as follows:

3 c. Notwithstanding any other provision in this section,
4 a change in use of the local sales and services tax revenues
5 for purposes of funding an urban renewal project pursuant
6 to section 423B.10 does not require an election, except as
7 provided in section 423B.10, subsection 2.

8 Sec. 2. Section 423B.10, subsection 2, Code 2011, is amended
9 to read as follows:

10 2. a. An eligible city may by ordinance of the city council
11 provide for the use of a designated amount of the increased
12 local sales and services tax revenues collected under this
13 chapter which are attributable to retail establishments in an
14 urban renewal area to fund urban renewal projects located in
15 the area. The designated amount may be all or a portion of such
16 the increased revenues allocable to the eligible city under
17 section 423B.7.

18 b. Prior to consideration of an ordinance under this
19 section, a city council shall adopt a resolution stating its
20 intent to propose the ordinance. If within thirty days of the
21 adoption of the resolution, a petition is filed with the clerk
22 of the city in the manner provided by section 362.4 asking that
23 the question of the use of a designated amount of the increased
24 revenues allocable to the city be submitted to the registered
25 voters of the city, the council shall either by resolution
26 declare the proposal to have been abandoned or shall direct the
27 county commissioner of elections to call a special election
28 to be held on a date specified in section 39.2, subsection
29 4, paragraph "b". If the vote in favor of the proposition is
30 equal to at least a majority of the total votes cast for and
31 against the proposition, the city council may proceed with
32 consideration of an ordinance authorizing funding of urban
33 renewal projects as provided in paragraph "a".

34 c. If no petition is filed, the council may proceed with
35 consideration of an ordinance authorizing funding of urban

1 renewal projects as provided in paragraph "a".

2 Sec. 3. Section 423B.10, subsection 3, unnumbered paragraph
3 1, Code 2011, is amended to read as follows:

4 To determine the revenue increase allocable to the city for
5 purposes of subsection 2, revenue amounts shall be calculated
6 by the department of revenue as follows:

7 Sec. 4. TAXES RECEIVED PRIOR TO EFFECTIVE DATE. The amount
8 of the increased local sales and services taxes received by a
9 city under chapter 423B prior to the effective date of this
10 Act that have been designated by a city by ordinance to fund
11 urban renewal projects pursuant to section 423B.10 shall be
12 deposited in the city's special fund created in section 403.19,
13 subsection 2, and shall be used to fund urban renewal projects
14 located in an urban renewal area.

15 Sec. 5. OBLIGATIONS OF CITIES. This Act shall not relieve,
16 impair, or otherwise alter the obligations of a city relating
17 to bonds issued pursuant to chapter 403 prior to the effective
18 date of this Act or contracts made prior to the effective date
19 of this Act in connection with an urban renewal project.

20 EXPLANATION

21 This bill relates to the use of sales and services tax
22 revenues to fund urban renewal projects.

23 Current law allows an eligible city to provide by ordinance
24 for the use of a designated amount of the increased local sales
25 and services tax revenues attributable to retail establishments
26 in an urban renewal area to fund urban renewal projects located
27 in the area.

28 The bill requires an eligible city to adopt a resolution of
29 intent before considering an ordinance authorizing the use of
30 local sales and services tax revenues for urban renewal. If
31 within 30 days of the adoption of the resolution, a petition
32 requesting an election on the question is filed with the city
33 clerk, the city council must either declare the proposal
34 abandoned or direct the county commissioner of elections to
35 call a special election on the question. If the majority of

1 votes cast is in favor of the proposition, it is approved by
2 voters, and the city may proceed with consideration of the
3 ordinance. If no petition is filed, the council may proceed
4 with consideration of the ordinance.

5 The bill specifies that the amount of increased revenues
6 designated for urban renewal projects may be all or a portion
7 of the increased revenues allocable to the eligible city.

8 The bill provides that any local sales and services taxes
9 received prior to the effective date of the bill and designated
10 for urban renewal projects must be deposited in the city's
11 special fund and used to fund urban renewal projects.

12 The bill provides that the funding of urban renewal projects
13 with increased sales and services tax revenues shall not
14 relieve, impair, or alter the obligations of a city in regard
15 to certain bonds or contracts.